




# Sedex Members Ethical Trade Audit Report

Version 6.0



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1058060	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: Not available	
Business name (Company name):	LeatherHunte Private Ltd			
Site name:	LeatherHunte Private Ltd			
Site address: <i>(Please include full address)</i>	44D GST Road, Guindy, Chennai-600032, India	Country:	India	
Site contact and job title:	Mr.Christopher Richards/ Manager Administration			
Site phone:	44-22342133	Site e-mail:	Richards@leatherhunte.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input type="checkbox"/> Environment	<input type="checkbox"/> Business Ethics
Date of Audit:	15-04-2019			

<p><b>Audit Company Name &amp; Logo:</b> SGS India Pvt Ltd</p> 	<p><b>Report Owner (payee):</b> LeatherHunte Private Ltd</p> <p><i>(If paid for by the customer of the site please remove for Sedex upload)</i></p>
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Audit Conducted By					
Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

## Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.0 April 2017 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents

### 2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
  - Universal rights covering UNGP
  - Management systems and code implementation,
  - Responsible Recruitment
  - Entitlement to Work & Immigration,
  - Sub-Contracting and Home working,

### 4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

## SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Any exceptions to this must be recorded here (e.g. different sample size):

Auditor Team (s) (please list all including all interviewers):

Lead auditor: Md.Javithu Hussain

Team auditor: N/A

Interviewers: Md.Javithu Hussain

Report writer: Md.Javithu Hussain

Report reviewer: Ajinkya Pande

Audit Company Report Reference: 9011008

Date of declaration: 06.05.2019

*Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.*

*This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.*

## Non-Compliance Table

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.	Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A <a href="#">Universal Rights covering UNGP</a>			<input checked="" type="checkbox"/>	<input type="checkbox"/>		3		<ul style="list-style-type: none"> <li>It was noted from the document review that the facility does not have any policy covering human rights impacts and issues, and not communicated to all appropriate parties, including its own suppliers</li> <li>Factory has not appointed a person responsible for implementing standard concerning universal rights.</li> <li>Factory has not communicated universal right policy to their relevant stakeholders.</li> </ul>
0B <a href="#">Management systems and code implementation</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> <li>No apparent concern</li> </ul>
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				No apparent concern
2. <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				No apparent concern



3	<u>Safety and Hygienic Conditions</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1			It was noted during facility walkthrough that 2 out of 4 randomly selected existing sewing machines has tilted needle guards,
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				No apparent concern
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				No apparent concern
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				No apparent concern
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				No apparent concern
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				No apparent concern
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				No apparent concern
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				No apparent concern
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				No apparent concern
10B2	<u>Environment 2-Pillar</u>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1			It was noted during document review that the pollution control board consent for air and water was expired on 31-3-2019, however application was submitted the by the management on 22-2-2019 to renew the same.
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				No apparent concern
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				No apparent concern

General observations and summary of the site:

#### 1: Employment is Freely Chosen

- There was no forced, bonded or involuntary labor.
- Workers had a freedom to leave the factory during the workday (have meal breaks, overtime break or end of work).

- Workers were free to use toilet and drinking water.

## **2: Freedom of Association and Right to Collective Bargaining are Respected**

- Facility has worker committee
- Employees are free to form Union.

## **3: Working Conditions are Safe and Hygienic**

- Overall, the working environment was clean, well lit, and ventilated and safe there is no life threatening hazardous issues.
- Operating instruction were posted on or near the fire extinguisher in local language and clearly seen by workers.
- Toilet areas were well lit, ventilated and separated by gender.

## **4: Child Labor Shall Not Be Used**

- No child labor was noted.

## **5: Living Wages are Paid**

- Legal Minimum wage was guaranteed to all the employees
- The factory paid workers by bank transfer on or before 7<sup>th</sup> of every month. All the workers were provided wages slip for every pay period.
- The factory paid overtime wage to workers

## **6: Working Hours are not Excessive**

- Working hours were within the legal limit

## **7: No Discrimination is Practiced**

- Based on workers interviewed, all workers confirmed that they were treated equally and receive wages at fair and appropriate rate in accordance with each worker's qualification. They were not differently treated based on personal characteristics, gender, age, disability, sexual orientation, racial characteristics, cultural or religious beliefs of similar factors.

## **8: Regular Employment Is Provided**

- From personnel files reviewed, it was observed that contracts have clearly defined period, employment date, wage information, worker signature etc. Workers were provided with continuous employment.

## **8A: Sub-Contracting and Home working**

- All the required process were in-house

## **9: No Harsh or Inhumane Treatment is Allowed**

- No harassment, abuse or corporal punishment was found in the factory. From workers interviewed, no one was abused or harassed by the supervisor, management or co-worker.

**10. Other Issue areas: 10 A: Entitlement to Work and Immigration**

- All the employees were Indians

**10. Other Issue areas: 10 B2: Environment**

- Factory does not generate any hazardous waste since there is no hazardous process in the factory.

**Negative findings:**

2 non-compliances and 3 Observations were found during the audit as below listed:

**Universal Rights covering UNGP**

- It was noted from the review of Document and discussion with the facility management that the facility has not filled the SAQ as per the Code requirement ETI/Additional elements
- Factory does not have a policy regarding universal rights
- The factory has not appointed a person responsible for implementing standard concerning universal standards

**3: Working Conditions are Safe and Hygienic**

It was noted during facility walkthrough that 2 out of 4 randomly selected existing sewing machines has tilted needle guards,

**10. Other Issue areas: 10 B2: Environment**

It was noted during document review that the pollution control board consent for air and water was expired on 31-3-2019, however application was submitted the by the management on 22-2-2019 to renew the same.

*\*Please note the table above records the total number of Non-compliances (NC), Observations (Obs) and Good Examples (GE). This gives the reviewer an indication of problem areas but does not detail severities of each issue – Reviewers need to check audit results by clause.*



## Site Details

Site Details																				
A: Company Name:	LeatherHunte Private Ltd																			
B: Site name:	LeatherHunte Private Ltd																			
C: GPS location: (if available)	GPS Address: 44D GST Road, Guindy, Chennai-600032, India	Latitude: 13.0067° N, Longitude: 80.2206° E																		
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	The facility has obtained valid Business license from the authority and it is valid till 31-12-2019/CH																			
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc.	Leather Goods Manufacturer																			
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>LeatherHunte Private Ltd was established in 1998 The total land area occupied was 5000 square feet. The facility has operated in the existing location since 1998</p> <p>The factory has employed 96 (Male-41, Female-55) employees The employees work from Monday to Saturday with one day weekly off on Sunday.</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1-Building-1</td> <td>Cutting, Leather stores, DG room, Toilet</td> <td>N/A</td> </tr> <tr> <td>Floor 2-Building-1</td> <td>Main Production line</td> <td>N/A</td> </tr> <tr> <td>Floor 1-Building 2</td> <td>Office, conference hall, Toilet Block</td> <td>N/A</td> </tr> <tr> <td>Floor 4</td> <td></td> <td></td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td></td> </tr> </tbody> </table> <p>The facility operates one Generals shift 8 hours with 60 minutes break for tea and lunch.</p> <p>Employees' wages are calculated on a daily basis and paid on or before 7th of each month. With regards to facilities, it has 2 Building with Ground and first floor- For details of floor description, please see the table,</p>		Production Building no	Description	Remark, if any	Floor 1-Building-1	Cutting, Leather stores, DG room, Toilet	N/A	Floor 2-Building-1	Main Production line	N/A	Floor 1-Building 2	Office, conference hall, Toilet Block	N/A	Floor 4			Is this a shared building?	No	
Production Building no	Description	Remark, if any																		
Floor 1-Building-1	Cutting, Leather stores, DG room, Toilet	N/A																		
Floor 2-Building-1	Main Production line	N/A																		
Floor 1-Building 2	Office, conference hall, Toilet Block	N/A																		
Floor 4																				
Is this a shared building?	No																			

	<p>For below, please add any extra rows if appropriate.</p> <p>Visible structural integrity issues (large cracks) observed?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Please give details: There is no visible structural cracks</p> <p>Does the site have a structural engineer evaluation?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Please give details: Facility has obtained Building stability certificates as per local regulations.</p>
G: Site function:	<p><input type="checkbox"/> Agent</p> <p><input checked="" type="checkbox"/> Factory Processing/Manufacturer</p> <p><input type="checkbox"/> Finished Product Supplier</p> <p><input type="checkbox"/> Grower</p> <p><input type="checkbox"/> Homeworker</p> <p><input type="checkbox"/> Labour Provider</p> <p><input type="checkbox"/> Pack House</p> <p><input type="checkbox"/> Primary Producer</p> <p><input type="checkbox"/> Service Provider</p> <p><input type="checkbox"/> Sub-Contractor</p>
H: Month(s) of peak season: (if applicable)	None
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Clicking, Skiving, (cutting), Assembly, Sewing, Finishing and packing
J: What form of worker representation / union is there on site?	<p><input type="checkbox"/> Union (name)</p> <p><input checked="" type="checkbox"/> Worker Committee</p> <p><input type="checkbox"/> Other (specify)</p> <p><input type="checkbox"/> None</p>
K: Is there any night production work at the site?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes approx. % of workers in on site accommodation</p>
M: Are there any off site provided worker accommodation buildings	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If Yes approx. % of workers</p>

<p>N: Were all site provided accommodation buildings included in this audit</p>	<p> <input type="checkbox"/> Yes  <input type="checkbox"/> No                  If No, please give details N/A             </p>
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Audit Parameters			
A: Time in and time out	Day 1 Time in: 9:30 Day 1 Time out: 05:30	Day 2 Time in: Day 2 Time out:	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	1 auditor by one day		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other  If other, please define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:      weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not Facility was not aware of this		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr.Christopher Richards/ Manager Administration		
H: Is further information available (If yes please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	N/A		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	There is no union in the facility		

## Worker Analysis

“ The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	41	0	0	0	0	0	0	41
Worker numbers – female	55	0	0	0	0	0	0	55
Total	96	0	0	0	0	0	0	96
Number of Workers interviewed – male	5	0	0	0	0	0	0	5
Number of Workers interviewed – female	5	0	0	0	0	0	0	5
Total – interviewed sample size	10	0	0	0	0	0	0	10

A: Nationality of Management	Indian
B: Nationality of workers <i>Please add more rows as applicable</i>	Countries: Country 1: ____Indian____ Country 2: ____ Country 3: ____
C: For the majority nationality of workers:	Nationality 1 approx % total workforce ____100____ Nationality 2 approx % total workforce ____ Nationality 3 approx % total workforce ____
D: Worker remuneration (management information)	____% workers on piece rate ____% hourly paid workers ____100____% salaried workers  Payment cycle: ____% daily paid ____% weekly paid



	___100___% monthly paid ___% other If other, please give details
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Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 group of 4 employees
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Male: 3      Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	None
I: What did the workers like the most about working at this site?	Working environment and Wages
J: Any additional comment(s) regarding interviews:	None
K: Attitude of workers to hours worked:	Favourable
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details:	
M: Attitude of workers: <i>(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk</i>	

10 workers were selected for interview 5 male and 5 female employees; they were interviewed as 1 group of 4 employees and the balance of 6 workers were interviewed individually. The workers were assured of confidentiality and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory. They had good relationships with their supervisors and managers who treated them with respect. They felt free to complain directly to supervisors or the managements.

N: Attitude of worker's committee/union reps:

*(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk*

The facility has different committees such as worker committee which deals with general grievance of employees, this committee has 3 employee representatives and 1 management representative, the meeting was held once in a month, this was further verified with employees and the minutes of meeting, as per employees their grievance are addressed by management immediately. Last meeting was held on 4-4-2019

O: Attitude of managers:

*(Include attitude to audit, and audit process. Both positive and negative information should be included)*

Management attitude towards audit was positive during audit process and closing meeting, management agreed with the findings of the auditors and they were committed to make further improvements

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

[\(Click here to return to NC-table\)](#)

#### 0.A. Guidance for Observations

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights

0.A.3 Businesses shall identify their stakeholders and salient issues.

0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

#### Current systems:

There is no apparent universal rights concern, this was confirmed through employee interview, further the The facility has written policy such as No child labour/child labour remediation plans, No forced labour, no harsh and inhuman treatment, no discrimination, health & safety, freedom of association, Working hours, .

However Factory does not have a policy regarding universal rights

The factory has not appointed a person responsible for implementing standard concerning universal standards

The factory has not communicated universal right policy to their relevant stake holders.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details:

- Policy
- Stake holders List
- Workers interaction

Any other comments: None

A: Policy statement that expresses commitment to respect human rights?

☐ Yes  
☒ No

	Please give details: Factory does not have a policy regarding universal rights
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details: The factory has not appointed a person responsible for implementing standard concerning universal standards
C: Does the businesses have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: it was confirmed by employees that the they can approach the Management directly if they have any issues and further they have committees to address their grievances if any
D: Does grievance mechanism meet with UNGP requirement of e.g. (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details:
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: All employee information and personnel data are kept under lock and key and have access only to office manager and top Management

Findings	
<b>Finding: Observation</b> <input checked="" type="checkbox"/> <b>Company NC</b> <input type="checkbox"/> <b>Description of observation:</b> Factory does not have a policy regarding universal rights  <b>Local law or ETI/Additional elements / customer specific requirement:</b> 0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers  <b>Recommendation:</b> Factory shall maintain a code and implement the policy regarding universal rights	<b>Objective evidence observed: During document review and management interview</b>
<b>Finding: Observation</b> <input checked="" type="checkbox"/> <b>Company NC</b> <input type="checkbox"/> <b>Description of observation:</b> The factory has not appointed a person responsible for implementing standard concerning universal standards  <b>Local law or ETI/Additional elements / customer specific requirement:</b>	<b>Objective evidence observed: During document review and management interview</b>

<p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p><b>Recommendation:</b> Factory Management shall appoint a person responsible for implementing standards.</p> <p><b>Finding: Observation</b> <input checked="" type="checkbox"/> <b>Company NC</b> <input type="checkbox"/></p> <p><b>Description of observation:</b> The factory has not communicated universal right policy to their relevant stake holders.</p> <p><b>Local law or ETI/Additional elements / customer specific requirement:</b> 0.A.3 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.</p> <p><b>Recommendation:</b> The factory shall communicate the universal right policy to their stake holders and other interested parties</p>	<p><b>Objective evidence observed: During document review and management interview</b></p>
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Good examples observed:	
Description of Good Example (GE):	Objective Evidence Observed:



## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	Last year: __5__ %	This year __5__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	5%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	Last year: __5__ %	This year __5__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	5%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Facility maintains accident register to record accident as per this there is no major accident till date	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	Last year:0 Number:	This year:0 Number:
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	Last year: 0	This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	6 months __0__% workers	12 months __0__% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	6 months __0__% workers	12 months __0__% workers



## 0B: Management system and Code Implementation

[\(click here to return to NC Table\)](#)

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with
- 0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.B.4 Suppliers are expected to communicate this Code to all employees.
- 0.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

#### Current systems:

Factory's rules and regulations are posted and communicated to all employees. During this audit, factory provided the required records of last 12 months for review, and auditor were accessible to all required documents review, factory tour and workers' interview. Auditor verified payroll records provided by management with related records and interview 10 sampled workers. Consistency was noted from records and interview, Further to Mr.Christopher Richards/ Manager Administration was responsible to implement and monitor the ETI codes and company policy.

#### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details: - Document review; Business License, Export license, etc.

- Employee interview
- Management interview

Any other comments: None

### Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

☐ Yes

☒ No

Please describe: There is no statutory fine or prosecution against the factory or management for the past 12 months

B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

☒ Yes

☐ No

Please describe: The factory established the policy on the reducing the risk of forced labour, child labour, discrimination, harassment and abuse.

C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Through documents review and workers interview, the written policies (No forced labour, No child labour, Non-discrimination, Anti-harassment and abuse) were communicated to the workers via notification board and training.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: awareness about the company policy on forced labour, child labour, discrimination, harassment & abuse were given to Managers and workers on 4-4-2017 The same was confirmed by all the interviewed employees and further the same was written documented.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: awareness about the company policy on forced labour, child labour, discrimination, harassment & abuse were given to Managers and workers on 4-4-2017 The same was confirmed by all the interviewed employees and further the same was written documented.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: The facility does not obtained any certificate
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Human resource department has one HR Manager and 1 HR assistant.
H: Is there a senior person /manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Mr.Christopher Richards/ Manager Administration Was given additional responsibility.
I: Is there a policy to ensure all worker information is confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Yes, Policy in place and the facility keeps the workers records confidential
J: Is there an effective procedure to ensure confidential information is kept confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Procedures are in place to keep the workers confidential information such as caste, wages, salary, intellectual information in a confidential.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	Details: The facility has identified basic risk associated to their industry.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The facility has a system in place to mitigate the risk identified.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The facility is having an evaluation form which needs to be filled by all the suppliers to get empanelled.
<b>Land rights</b>	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has obtained Business license, and Building and Land is registered as per Indian Building and land registration regulations
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has obtained Business license, and Building and Land is registered as per Indian Building and land registration regulations
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, how does the company obtain FPIC: Facility has land rights policy, further all the consent pertaining to run the business is taken by the facility management
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Payment was made and registered
R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Payment was made and registered as per Indian registration regulations
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: No apparent concern  <b>Local law and/or ETI requirement:</b>  <b>Recommended corrective action:</b>	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>

Observation:	
<b>Description of observation:</b>  <b>Local law or ETI requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>

Good Examples observed:	
<b>Description of Good Example (GE):</b>	<b>Objective evidence observed:</b>



## 1: Freely Chosen Employment

[\(Click here to return to NC-table\)](#)

### ETI

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

#### Current systems:

It was noted during the private employees' interview that the workers have joined the facility own their own will, and the facility does not ask or accept any form of deposit s upon hiring. All interviewed employees reported that they are free to resign the job at any time at their option. In addition, it was reported by all interviewed employees that they are having unrestricted access to drinking water and rest rooms. Moreover, it was noted during the private employees' interview that there are no production quotas vested to the employees, and the employees are free to leave the work place at the end of the shift. All interviewed employees reported that the overtime work is voluntary. None of the interviewed employees reported any instance of forced, bonded or involuntary labour practice in the facility.

Further, the assessment team randomly selected 10 personal files of the employees for review. It was noted during the review of personal files that all personal files are provided with letter of employment duly acknowledged by the employees. In addition, it was noted that the terms and conditions of the employment is in accordance with the local regulations.

#### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Recruitment post
- Application form
- Labor contract
- Worker interview
- Management interview

Any other comments: None

A: Is there any evidence of retention of original documents, e.g. passports/ID's

☐ Yes

☒ No

If yes, please give details and category of workers affected:

B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details and category of workers affected:
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details and category of workers affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: Workers are free to leave the job
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there is a published 'modern day slavery statement.	<input type="checkbox"/> Yes <input type="checkbox"/> No  Please describe finding: Facility is in India  <input checked="" type="checkbox"/> Not applicable
G: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: Workers are free to leave at the end of their shift
H: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If yes, please give details and category of workers affected: as per their risk assessment No forced / trafficked / bonded labour in its supply chain.  <input type="checkbox"/> Not applicable
I: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please describe finding: There is no forced or trafficked labours till date

**Non-compliance:**

<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code:  No apparent concern  <b>Local law and/or ETI requirement</b>  <b>Recommended corrective action:</b>	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>
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Observation:	
<b>Description of observation:</b>  <b>Local law or ETI requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>

Good Examples observed:	
<b>Description of Good Example (GE):</b>	<b>Objective evidence observed:</b>

## 2: Freedom of Association and Right to Collective Bargaining are Respected

[\(Click here to return to NC-table\)](#)  
[\(Click here to return to Key Information\)](#)

### ETI

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

#### Current systems:

All interviewed employees reported that the facility management helped the employees to select their representatives and form a works committee through proper election, as there is no union in the facility. There are 3 members in the works committee who meets once in every 30 days to discuss workers' grievances/concerns. The minutes of the meeting is presented before the top management if there are any collective concern/issues for consideration. It was noted during the review of committee meeting records that the facility management properly responds the grievances of the employees. In addition, all interviewed employees reported that they are free to join union of their choice or form any association; but they never felt necessity to do so as their concerns/grievances are properly responded and monitored by the facility management. Further to this the facility has an agreement with NGO to witness anti sexual committee proceedings, last meeting was held on 4-4-2019 and no issues observed.

Thus, there is no concern reported in respect of freedom of association on the day of the assessment.

#### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Document review

-Employee interview included worker committee

-Management interview

Any other comments: None

A: What form of worker representation/union is there on site?

- ☐ Union (name)  
☒ Worker Committee  
☐ Other (specify)

	<input type="checkbox"/> None	
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input type="checkbox"/> Yes <input type="checkbox"/> No Describe:  Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: the committee was independent and no management interference	
F: Name of union and union representative, if applicable:	N/A	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Facility has worker committee	Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of last election: 9-6-2018
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Yes
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , please state how many: 1	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The worker committee has 3 employee representatives last meeting was completed on 4-04-2019 ,	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

If <b>Yes</b> , what percentage by trade Union/worker representation	__0__% workers covered by Union CBA	__0__% workers covered by worker rep CBA
If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: No apparent concern  <b>Local law and/or ETI requirement:</b>  <b>Recommended corrective action:</b>	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>

Observation:	
<b>Description of observation:</b>  <b>Local law or ETI requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>

Good Examples observed:	
Description of Good Example (GE):	<b>Objective evidence observed:</b>



### 3: Working Conditions are Safe and Hygienic

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[\(Click here to return to Key Information\)](#)

#### ETI

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

#### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

#### Current systems:

There are two exits/emergency exits in each work floor. Further, the work floors are marked with emergency yellow lines and arrow mark which leads to the nearest exit. All exits/emergency exits are unblocked and accessible on day of the assessment. Furthermore, the facility has provided emergency lights near each exit/emergency exit and on the work floors. All exits/emergency exits are illuminated and marked with "EXIT" sign in the language understood by majority of the employees.

In addition to this, the facility has posted emergency evacuation plot plans in each work floor. The routes and maps of the evacuation plan are written in local language. In addition, all electrical panels are properly covered, labelled and provided with rubber mats. In addition to this the facility has provided emergency shut off devices in all the machines. The facility has displayed operating procedures near each heavy machine in bilingual form. There is adequate space provided between two machines for easy movement of operator.

Further to this, there is a first aid kit installed in each work floor. The list of first aid supplies with expiry date, names & photos of first aid trained employees and emergency contact numbers near each first aid kit. The first aid kits are marked with red cross on white background for easy identification.

During the document review it was observed that, the facility has obtained a valid license, permits and NOC from the authority and the conditions and requirement of permits and NOC were implemented and followed by the facility management, to reconfirm this the auditor conducted a complete health and safety walkthrough of the facility. It was noted during the facility walkthrough that the facility has provided adequate ventilation and lighting in each work floor. The work floors are cleaned and free from dangerous bumps, holes and slopes. Each work floor is provided with adequate fans and exhaust fans.

It is also observed that, the facility has provided sufficient and suitable types of fire extinguishers (10) in each work floor. The locations of fire extinguishers are marked with zebra marking. All the fire extinguishers are mounted on wall at appropriate height and are unblocked and accessible on the day of the assessment. Fire alarms (6) are installed in each work floor which is found functional. It is also noted during the review of training records that the facility provides fire drill training to all its employees once in every two months. The same is further confirmed during employees' interview. The list of fire fighting trained employees is displayed near the fire extinguisher and on the notice Board.

In addition, there is a drinking water point provided in each work floor, it is also observed that the facility has provided sufficient number of rest rooms separately for men and women employees. All rest rooms are provided with sufficient supplies such as water, soaps, towels etc. The rest rooms are found clean and in sanitary condition.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details:

Interviews with facility management

-Interviews with workers and supervisors

-Factory tour

-Documents reviewed; Health and safety policy, Training records and certificates, Fire equipment maintenance records, Fire drill records, Government licenses, Environmental inspection records, Building structure safety certificate, Accident reports, MSDS for each chemical, Electricity inspection etc.

Any other comments: None

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The facility has policy on Health & safety and posted in the notice board in local language
B: Are the policies included in workers' manuals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: No manual
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: The facility is having building approval for the current setup
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Safety requirements were explained by security guard near the main entrance before giving access to factory.

<p>E: Is a medical room or medical facility provided for workers?</p> <p>If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Details: There is no medical room, however first aid trained employees available to attend during emergency as per local regulations</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Details: First aiders present at the site.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Details: No Transportation</p>
<p>H: Is secure personal storage space provided for workers in their living space and is it fit for purpose?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Details: Personal lockers provided to keep their bags at the site.</p>
<p>I: Are H&amp;S Risk assessments conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Details: H&amp;S risk assessment was completed and there are controls to reduce identified risk.</p>
<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Please describe: All legal requirements legal obligations related environmental requirements were followed by the management.</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Please describe: Office manager updates its customer requirements on environmental standards, and no banned chemicals were utilized</p>

**Non-compliance:**

**1. Description of non-compliance:**

☐ NC against ETI
 ☒ NC against Local Law
 ☐ NC against customer code:

It was noted during facility walkthrough that 2 out of 4 randomly selected existing sewing machines has tilted needle guards,

**Local law and/or ETI requirement**

In accordance with Factories Act 1948, Section 26 (1) (a), In all machinery driven by power and installed in any factory after the commencement of this Act [1948] - (a) every set screw, bolt or key on any revolving shaft, spindle, wheel or pinion shall be so sunk, encased or otherwise effectively guarded as to prevent danger; (b) all spur, worm and other toothed or friction gearing which does not require frequent adjustment while in motion shall be completely encased, unless it is so situated as to be as safe as it would be if it were completely encased

**Recommended corrective action:**

Facility management shall ensure that needle guard in all the sewing machines is properly installed and utilize.

**Objective evidence observed: During facility walkthrough**

(where relevant please add photo numbers)

**Observation:**

Description of observation: None

Local law or ETI requirement:

Recommended corrective action:

Objective evidence observed:

**Good Examples observed:**

Description of Good Example (GE):

Objective Evidence Observed:

#### 4: Child Labour Shall Not Be Used

[\(Click here to return to NC-table\)](#)  
[\(Click here to return to Key Information\)](#)

##### ETI

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

#### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

##### Current systems:

The auditor randomly selected 10 employees from different departments including young looking employees for private employees' interview. All interviewed employees reported their age more than 18 years. It was further reported by the interviewed employees that the facility does not employ the person who has not completed 18 years and that the HR department collects age proof documents from the candidates at the time of recruitment.

In addition, it was noted that the facility has written policy & procedures in regard to child labour which states that the facility does not engage child labour or encourage the use of child labour. It is also observed that, the facility has written child labour remediation procedures. It was noted during the review of age proof documents that the facility obtains valid age proof documents in the form of School certificate, Adar Card/voter id and dental doctor certificates, from the employees.

##### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details: Age proof documents, employee personal file

Any other comments: None

A: Legal age of employment:	18 years
B: Age of youngest worker found:	18 years
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %

E: Are workers under 18 subject to hazardous work assignments?  
[\(Go to clause 3 – Health and Safety\)](#)

☐ Yes  
☐ No  
 If yes, please give details N/A

#### Non-compliance:

##### 1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code:

No apparent concern

Local law and/or ETI requirement:

Recommended corrective action:

**Objective evidence observed:**  
 (where relevant please add photo numbers)

#### Observation:

Description of observation:

Local law or ETI requirement:

Comments:

**Objective evidence observed:**

#### Good Examples observed:

Description of Good Example (GE):

**Objective Evidence Observed:**

## 5: Living Wages are Paid

[\(Click here to return to NC-table\)](#)

[\(Click here to return to Key information\)](#)

### ETI

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

#### Current systems:

A complete payroll audit was conducted. Payrolls and time records for the months of April 2018 to March 2019 were requested for review. The provided payroll records contains information in the form of employee number, employee name, designation, gross salary, conveyance deductions, number of days worked, number of holidays, net salary and employee signature.

As per provided payroll record all the employees are guaranteed minimum wage. Furthermore employees are paid wages on a monthly basis through bank and cash. Payment. It is also observed that all the employees are covered under mandatory social benefit such as ESI and Provident fund. This was further confirmed by all the interviewed employees and social benefit remittance receipt. Pay slips are provided to the employees one day prior to the wage disbursement.

#### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details: Payroll records

-Work attendance records

-Employees interview

-Management interview

-Wages and benefits policy

-Local legal minimum wage documents

-Leave records

-Social insurance and payment receipts from the local Labor department.

-Labor contracts for all employees

-Pay slips of all workers interviewed

Any other comments: None

### Non-compliance:

<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: No apparent concern  <b>Local law and/or ETI requirement:</b>  <b>Recommended corrective action:</b>	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>
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<b>Observation:</b>	
<b>Description of observation:</b>  <b>Local law or ETI requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>

<b>Good Examples observed:</b>	
Description of Good Example (GE):	<b>Objective Evidence Observed:</b>

## Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day, 48 hours per week and 208 hours per month	8 hours per day, 48 hours per week and 208 hours per month	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 2 hours per day, 12 hours per week and 50 hours per quarter	2 hours per day/4 hours per week and 12	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



		hours per month/22 hours per quarter									
C: wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Factory has to follow the Minimum wages of Leather goods industry 01.04.2018 <table><tr><th>Classes of employee</th><th>Basic</th></tr><tr><td>Unskilled</td><td>3978</td></tr><tr><td>Semi-Skilled</td><td>4263</td></tr><tr><td>Skilled</td><td>4548</td></tr></table>	Classes of employee	Basic	Unskilled	3978	Semi-Skilled	4263	Skilled	4548	Legal minimum: INR 3978.00 per month + VDA	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Classes of employee	Basic										
Unskilled	3978										
Semi-Skilled	4263										
Skilled	4548										
D: overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 200% of normal wage rate	200% of normal wage rate	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No								

Wages analysis: (Click here to return to Key Information)									
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No								
If <b>No</b> , why not?	N/A								
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 employees' records were verified/checked for the sampled months of March 2019, April 2018, and August 2018.								
C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <div>           If <b>Yes</b>, please give details:           <table border="1"> <thead> <tr> <th>Classes of employee</th><th>Basic</th></tr> </thead> <tbody> <tr> <td>Unskilled</td><td>3978</td></tr> <tr> <td>Semi-Skilled</td><td>4263</td></tr> <tr> <td>Skilled</td><td>4548</td></tr> </tbody> </table> </div>	Classes of employee	Basic	Unskilled	3978	Semi-Skilled	4263	Skilled	4548
Classes of employee	Basic								
Unskilled	3978								
Semi-Skilled	4263								
Skilled	4548								

D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	If <b>No</b> , please give details:	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i>	
F: Please indicate the breakdown of workforce per earnings:		____% of workforce earning under min wage __50__% of workforce earning min wage __50__% of workforce earning above min wage	
F: Bonus scheme found: Please specify details:	Bonus Scheme found: Minimum 8.33% of total annual wages paid as bonus every year <i>Note: full time employees and please state hour / week / month etc.</i>		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social benefits such as employee state insurance, provident fund and professional tax.		
I: Have these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Please list all deductions that <b>have</b> been made.	1.Provident fund 2.Employee state insurance  Please describe:
		Please list all deductions that <b>have</b> not been made.	1. 2.  Please describe:
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info:</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time:		

Please see SMETA Best Practice Guidance and Measurement Criteria.	
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details:
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: No defined living wages. They are following the local government prescribed minimum wages to all categories of workers.
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Wage record were verified
Q: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain:

## 6: Working Hours are not Excessive

[\(Click here to return to NC-table\)](#)  
[\(Click here to return to Key Information\)](#)

### ETI

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where **all** of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

## Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

### Current systems:

The auditor reviewed overtime register, time card records, muster roll, production records and broken needle records for the months of April 2018 to March 2019. The facility has manual and electronic time recording system to record in & out time of the employees. It was noted during the review of time card records and production records that the facility operates one general shift of 8 hours shift with 60 minutes break for lunch and Tea from Monday to Saturday. All employees are being given one day off on Sunday; the same is further confirmed during the employees' interview. It is also observed that overtime working hours in compliance with legal regulations

### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details: Working hours record

-Employee interview

-Management interview

Production records, broken needle records.

Any other comments:

### Non-compliance:

#### 1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law ☐ NC against customer

code:

No apparent concern

Local law and/or ETI requirement:

Recommended corrective action:

#### Objective evidence observed:

(where relevant please add photo numbers)

### Observation:

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

### Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

<b>Working hours' analysis</b> Please include time e.g. hour/week/month <a href="#">(Go back to Key information)</a>					
<b>Systems &amp; Processes</b>					
A. What timekeeping systems are used: time card etc.	Describe: Both Manual and electronic time recording system				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details				
C: Are standard/contracted working hours defined in <b>all</b> contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, please detail hours, %, types of workers affected and frequency  Please give details:			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:		Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	Maximum number of days worked without a day off (in sample):				
	6 days				

Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, % of workers & frequency:  
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, please give details:  
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours per day/4 hours per week and 12 hours per month	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	___0___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Overtime is voluntary
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	Please give details of normal day overtime premium as a % of <b>standard</b> wages: 200% of normal wage rate
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, please describe % of workers & frequency: 100% of the employees paid 200% of normal wage rate if the work overtime along with wages

<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<div data-bbox="416 219 1396 383"> <input type="checkbox"/> No  <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium)  <input type="checkbox"/> Collective Bargaining agreements  <input type="checkbox"/> Other </div> <div data-bbox="416 412 1458 477"> Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other </div> <div data-bbox="416 539 469 568"> N/A </div>
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<div data-bbox="416 719 1257 882"> <input checked="" type="checkbox"/> <b>Overtime is voluntary</b>  <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week  <input type="checkbox"/> Safeguards are in place to protect worker's health and safety  <input type="checkbox"/> Site can demonstrate exceptional circumstances  <input type="checkbox"/> Other reasons (please specify) </div> <div data-bbox="416 913 1458 978"> Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other: </div> <div data-bbox="416 1010 691 1041"> <b>Overtime is voluntary</b> </div>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<div data-bbox="416 1084 753 1182"> <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  If yes, please give details: </div>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<div data-bbox="416 1375 501 1440"> <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No </div>



## 7: No Discrimination is Practiced

[\(Click here to return to NC-table\)](#)

### ETI

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

#### Current systems:

All interviewed employees reported that the workers are equally treated irrespective of their age, race, caste, religion, origin, colour, gender and political affiliation. In addition, it was reported that the employees are hired only on the basis of skill and experience. Furthermore, all interviewed employees reported that they are given equal opportunities of training and overtime work. It was also reported that they are free to exercise rights to meet needs relating to race, caste gender and religion. None of the interviewed employees any form of discriminatory practice in the facility. Further, the facility has a written policy on anti-discrimination, which is posted on the notice board.

#### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Documents review (The hiring and termination procedure, leave application records).

-Employee interview

-Management interview

Any other comments: None

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: <u>70</u> % Female <u>30</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	#: 0 employees
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion <input type="checkbox"/> termination or retirement

### Professional Development

A: What type of training and development are available for workers?	On job training provided to all the employees
---	---

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details:
--	---

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: No apparent concern  <b>Local law and/or ETI requirement:</b>  <b>Recommended corrective action:</b>	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>

Observation:	
<b>Description of observation:</b>  <b>Local law or ETI requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>

Good Examples observed:	
<b>Description of Good Example (GE):</b>	<b>Objective Evidence Observed:</b>



## 8: Regular Employment Is Provided

[\(Click here to return to NC-table\)](#)

[\(Click here to return to Key Information\)](#)

### ETI

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

### Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

## Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

### Current systems:

As per the management, the facility does not use any home workers or temporary employees. Further on the day of audit no home workers or temporary employees are detected at the facility. This was further confirmed by all the interviewed employees

### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Document review

-Worker interview

-Management interview

Any other comments: None

## Non-compliance:

<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p> <p><b>2. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p>
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Observation:	
<p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

Good Examples observed:	
<p>Description of Good Example (GE):</p>	<p><b>Objective Evidence Observed:</b></p>

## Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms &amp; Conditions presented  <input checked="" type="checkbox"/> Understood by workers  <input checked="" type="checkbox"/> Same as actual conditions</p> <p>If any are unchecked, please describe finding and specific category(ies) of workers affected:</p>

B: Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please describe details and specific category(ies) of workers affected:
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – please give details
D: If any checked, give details:	N/A

Migrant Workers:		
<i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
A: Type of work undertaken by migrant workers:	N/A	
B: Migrant worker recruitment	Total number of (in country recruitment agencies) used: Total number of (outside of local country) recruitment agencies used	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding:	Observations
D: Are any migrant workers in skilled, technical, or management roles  <i>Migrant Workers (this should include all migrant workers including permanent</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No  If yes number and example of roles:	

workers, temporary and/or seasonal workers)

## NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – please give details
C: If any checked, give details:	

Agency Workers (if applicable) (workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
A: Number of agencies used (average):	Names if available: N/A
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No

	Please give details:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:

<b>Contractors:</b> <i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, how many contractors are present, please give details:
B: If <b>Yes</b> , how many workers supplied by contractors?	
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding:
D: If <b>Yes</b> , please give evidence for contractor workers being paid per law:	



## 8A: Sub-Contracting and Homeworking:

### 8A: Sub-Contracting and Homeworking

[\(Click here to return to NC-table\)](#)

[\(Click here to return to Key Information\)](#)

8A.1 There should be no sub-contracting unless previously agreed with the main client.

8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

*Note to auditor on homeworking:*

*Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.*

*Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers*

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

#### Current systems:

There is no subcontracting process as all the process are in house

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

#### If any processes are sub-contracted – please populate below boxes

Process Subcontracted	Process 1	Process 2
Name of factory		
Address		

Process Subcontracted	Process 3	Process 4
Name of factory		
Address		

Process Subcontracted	Process 5	Process 6
Name of factory		
Address		

Details:

### Non-compliance:

<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code:  N/A  <b>Local law and/or ETI /Additional Elements requirement:</b>   <b>Recommended corrective action:</b>	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>
--	---

Observation:	
<b>Description of observation:</b>  <b>Local law or ETI/Additional elements requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>

Good Examples observed:	
Description of Good Example (GE):	<b>Objective Evidence Observed:</b>

Summary of sub-contracting – if applicable <input checked="" type="checkbox"/> Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe:
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details:
C: Number of sub-contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No

	If <b>Yes</b> , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details:		
B: Number of homeworkers	Male:	Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		If through agents, number of agents: _____
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?			
F: What processes are carried out by homeworkers?			
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:		
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

## 9: No Harsh or Inhumane Treatment is Allowed

[\(Click here to return to NC-table\)](#)

### ETI

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Additional elements:

9.2 companies should provide access to a confidential grievance mechanism for all workers

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 <sup>rd</sup> party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Local police station and Inspector of factory numbers displayed in the notice board to contact in case of any lapse or emergency. Further to this suggestion box was also posted
B: If <b>Yes</b> , are workers aware of these channels and have access? Please give details.	Yes, the telephone numbers are posted and further ETI base code was also posted for employee reference. Further to this suggestion box was also posted
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	The telephone numbers are posted and further ETI base code was also posted for employee reference. Further to this suggestion box was also posted
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other  Details: workers general grievance mechanism is in place
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  If yes, please give details
F: Does the site encourage its business partners (e.g., suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. help lines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No Please give details

H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

#### Current systems:

All interviewed employees reported that they are treated with dignity and respect. It was further noted during the private employees' interview that the facility does not use physical and mental coercion or corporal punishment as disciplinary action. All interviewed employees reported that they are only given verbal and written warning in case of breach of any disciplinary practice. None of the interviewed employees reported any form of harassment by their supervisor or management staff. In addition, it was noted during the facility walk through that the facility has displayed its anti- harassment policy on the notice board in bilingual form.

#### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Policy review

-Worker interview

-Management interview

Any other comments: None

### Non-compliance:

#### 1. Description of non-compliance:

☐ NC against ETI
 ☐ NC against Local Law
 ☐ NC against customer code:

No apparent concern

#### Local law and/or ETI requirement:

#### Recommended corrective action:

#### Objective evidence observed:

(where relevant please add photo numbers)

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Observation:	
<b>Description of observation:</b>  <b>Local law or ETI requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>

Good Examples observed:	
<b>Description of Good Example (GE):</b>	<b>Objective Evidence Observed:</b>

## 10. Other Issue areas: 10A: Entitlement to Work and Immigration

[\(Click here to return to NC-table\)](#)

### Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.

10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

#### Current systems:

All employees are local employees with a legal right to work are employed by the factory.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details:

Factory tour

-Document review

-Worker interview

-Management interview

Any other comments:

### Non-compliance:

#### 1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

No apparent concern

**Local law and/or ETI /Additional Elements requirement:**

**Recommended corrective action:**

#### Objective evidence observed:

(where relevant please add photo numbers)

### Observation:

<b>Description of observation:</b>  <b>Local law or ETI/Additional Elements requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>
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Good examples observed:	
<b>Description of Good Example (GE):</b>	<b>Objective Evidence Observed:</b>



## 10. Other issue areas 10B2: Environment 2-Pillar

[\(Click here to return to NC-table\)](#)

To be completed for a 2-Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

#### Current systems:

During the assessment, the assessment team noted that the facility is in compliance with local environmental regulations In addition to this the facility disposes off the cutting waste, paper waste, scraps and garbage to keep the facility clean and the working environment safe

#### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Factory tour

Worker interview

Management interview

Any other comments: None

### Non-compliance:

#### 1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☒ NC against Local Law

It was noted during document review that the pollution control board consent for air and water was expired on 31-3-2019, however application was submitted the by the management on 22-2-2019 to renew the same.

#### Local law and/or ETI/Additional Elements requirement:

In accordance with the Air (Prevention and control of pollution) Act 1981, Section 21 (1), subject to the provision of this section, no person shall without the previous consent of the state board established or operate any industrial plant in an Air pollution control area.

In accordance with Water (Prevention of control of pollution) Act 1974, Section 25 (a), subject to the provision, no person shall, without the previous consent of

#### Objective evidence observed: During document review

(where relevant please add photo numbers)

the state board – established or take any steps to establish any industry, operation or process or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewages or trade effluent in to a stream or well or sewer or an land.

**Recommended corrective action:**

Facility management shall ensure that pollution control board consent is obtained from the authority as soon as possible.

**Observation:**

**Description of observation:**

**Local law or ETI/additional elements requirement:**

**Comments:**

**Objective evidence observed:**

**Good examples observed:**

**Description of Good Example (GE):**

**Objective Evidence Observed:**

## 10. Other issue areas 10B4: Environment 4-Pillar

[\(Click here to return to NC-table\)](#)

To be completed for a 4-Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

### B.4. Compliance Requirements

10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements

10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).

10B4.7 Businesses shall make continuous improvements in their environmental performance.

10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.

### B4. Guidance for Observations

10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

*Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)*

## Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

### Current systems:

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details:

Any other comments:

Non-compliance:	
<p><b>1. Description of non-compliance:</b></p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI/Additional Elements requirement:</b></p> <p><b>Recommended corrective action:</b></p> <p><b>2. Description of non-compliance:</b></p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI/Additional elements requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b> (where relevant please add photo numbers)</p>

Observation:	
<p><b>Description of observation:</b></p> <p><b>Local law or ETI/Additional elements requirements:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

Good examples observed:	
<p><b>Description of Good Example (GE):</b></p>	<p><b>Objective Evidence Observed:</b></p>

<b>Environmental Analysis</b> <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, is it publicly available?
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please detail. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
H: Have all legally required permits been shown? Please detail.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Please give details:
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:	
<b>Usage/Discharge analysis</b>		
Criteria	Previous year: Please state period: _____	Current Year: Please state period: _____
Electricity Usage: Kw/hrs		
Renewable Energy Usage: Kw/hrs		
Gas Usage: Kw/hrs		
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If <b>Yes</b> , please state result		
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Water Volume Used: (m <sup>3</sup> )		
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Water Volume Discharged: (m <sup>3</sup> )		
Water Volume Recycled: (m <sup>3</sup> )		
Total waste Produced (please state units)		
Total hazardous waste Produced: (please state units)		
Waste to Recycling:		

(please state units)		
Waste to Landfill: (please state units)		
Waste to other: (please give details and state units)		
Total Product Produced (please state units)		

### 10C: Business Ethics – 4-Pillar Audit

[\(Click here to return to NC-table\)](#)

To be completed for a 4-Pillar SMETA Audit

#### 10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

#### 10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

#### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

#### Current systems:

#### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Any other comments:



Non-compliance:	
<p><b>1. Description of non-compliance:</b></p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI/Additional Elements requirement:</b></p> <p><b>Recommended corrective action:</b></p> <p><b>2. Description of non-compliance:</b></p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI/Additional elements requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b> (where relevant please add photo numbers)</p>

Observation	
<p><b>Description of observation:</b></p> <p><b>Local law or ETI/Additional elements requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

Good examples observed:	
<p><b>Description of Good Example (GE):</b></p>	<p><b>Objective Evidence Observed:</b></p>

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<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input type="checkbox"/> Internal Policy  <input type="checkbox"/> Policy for third parties including suppliers  Please give details:</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details:</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details:</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details:</p>

### Other Findings Outside the Scope of the Code

None

### Community Benefits

*(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)*

None

## Appendix 1

**Comparison between ETI code and Customer's Supplier's Code.** Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."

☐ Not Applicable please x

**NOTE:** The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.

**Instruction to Audit Company:** fill in the relevant clauses from the Customer Supplier Code - where applicable.

### ETI Code / Additional Elements

### Customer's Supplier Code equivalent

#### 0.A. Universal Rights covering UNGP

#### 0.A. Universal Rights covering UNGP

##### 0.A. Guidance for Observations

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.  
0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights  
0.A.3 Businesses shall identify their stakeholders and salient issues.  
0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.  
0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.  
0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

#### 0.B. Management Systems & Code Implementation

#### 0.B. Management Systems & Code Implementation

0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.

<p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>	
<b>ETI 1. Forced Labour</b>	<b>ETI 1. Forced Labour</b>
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>	
<b>ETI 2. Freedom of association and the right to collective bargaining are respected</b>	<b>ETI 2. Freedom of association and the right to collective bargaining are respected</b>
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
<b>ETI 3. Working conditions are safe and hygienic</b>	<b>ETI 3. Working conditions are safe and hygienic</b>
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health &amp; Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p>	

<p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health &amp; Safety to a senior management representative.</p>	
<b>ETI 4. Child labour shall not be used</b>	<b>ETI 4. Child labour shall not be used</b>
<p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>	
<b>ETI 5. Living wages are paid</b>	<b>ETI 5. Living wages are paid</b>
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>	
<b>ETI 6. Working Hours are not excessive</b>	<b>ETI 6. Working Hours are not excessive</b>
<p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p>	

<p>6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where <b>all</b> of the following are met:</p> <ul style="list-style-type: none"> <li>– this is allowed by national law;</li> <li>– this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;</li> <li>– appropriate safeguards are taken to protect the workers' health and safety; and</li> <li>– The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.</li> </ul> <p>6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.</p>	
<b>ETI 7. No discrimination is practised</b>	<b>ETI 7. No discrimination is practised</b>
<p>7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p>	
<b>ETI 8. Regular employment is provided</b>	<b>ETI 8. Regular employment is provided</b>
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or</p>	

<p>provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p><b>Additional Elements: Responsible Recruitment</b></p> <p>8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.</p> <p>8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.</p> <p>8.5 Employment agencies must only supply workers registered with them.</p> <p>8.6 Workers pay no recruitment fee at any stage of the recruitment process.</p> <p>8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>	
<b>8A: Sub-Contracting and Homeworking</b>	<b>8A: Sub-Contracting and Homeworking</b>
<p>8A.1 There should be no sub-contracting unless previously agreed with the main client.</p> <p>8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>	
<b>ETI 9. No harsh or inhumane treatment is allowed</b>	<b>ETI 9. No harsh or inhumane treatment is allowed</b>
<p>9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.</p> <p>Additional elements:</p> <p>9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	
<b>10. Other Issue areas: 10A: Entitlement to Work and Immigration</b>	
<p><b>Additional Elements</b></p> <p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.</p> <p>10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>	
<b>10. Other issue areas 10B2: Environment 2-Pillar</b>	



<p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.</p> <p><i>Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p><b>B.4. Compliance Requirements</b></p> <p>10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.</p> <p>10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.</p> <p>10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements</p> <p>10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.</p> <p>10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.</p> <p>10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).</p> <p>10B4.7 Businesses shall make continuous improvements in their environmental performance.</p> <p>10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation</p> <p>10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.</p> <p><b>B4. Guidance for Observations</b></p> <p>10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.</p> <p>10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
Business Practices Section	

### 10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

### 10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented.

## Photo Form













**Adding Images** To help keep the size of the Report as small as possible for ease of sending and saving the document we recommend that you use Microsoft Paint to resize your photos. To do so please follow these instructions:

- 1) To start Microsoft Paint, click 'Start', 'Programs', 'Accessories', then 'Paint'.
- 2) Open the image file you wish to edit.
- 3) Click the 'Image' Menu at the top and select "Stretch/Skew Image".
- 4) Choose a percentage figure to resize the image: to avoid distortion, choose the same percentage for horizontal and vertical stretch. Click OK.
- 5) Once you have the desired size, click File > Save As... (To prevent overwriting the original image).

Save As jpeg (this provides compression to make the file smaller).

- 6) Please delete this text once complete.

		
Name Board of the facility	Front view of the facility	Emergency assembly point
		
DG room	Secondary container provided to the Diesel containers	Time recording device

		
Toilet block	Notice board with policy posters	Cutting section
		
Sewing section	Finishing area	Production hall
		
Exits illuminated	Aisle marked	Fire extinguisher marked
		
Hose reel	Drinking water point	First aid kit



		<p>END</p>
<p>Evacuation plot plan posted</p>	<p>Tilted needle guard</p>	



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Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

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